



GENERAL ASSEMBLY

COMMONWEALTH OF KENTUCKY

2006 REGULAR SESSION

HOUSE BILL NO. 195

AS ENACTED

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TREY GRAYSON
SECRETARY OF STATE
COMMONWEALTH OF KENTUCKY
BY R. Keller

AN ACT relating to state employee conflict of interest.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

1 Section 1. KRS 11A.040 is amended to read as follows:

2 (1) A public servant, in order to further his own economic interests, or those of any
3 other person, shall not knowingly disclose or use confidential information acquired
4 in the course of his official duties.

5 (2) A public servant shall not knowingly receive, directly or indirectly, any interest or
6 profit arising from the use or loan of public funds in his hands or to be raised
7 through any state agency.

8 (3) A public servant shall not knowingly act as a representative or agent for the
9 Commonwealth or any agency in the transaction of any business or regulatory
10 action with himself, or with any business in which he or a member of his family has
11 any interest greater than five percent (5%) of the total value thereof.

12 (4) A public servant shall not knowingly himself or through any business in which he
13 owns or controls an interest of more than five percent (5%), or by any other person
14 for his use or benefit or on his account, undertake, execute, hold, bid on, negotiate,
15 or enjoy, in whole or in part, any contract, agreement, lease, sale, or purchase made,
16 entered into, awarded, or granted by the agency by which he is employed or which
17 he supervises, subject to the provisions of KRS 45A.340. This provision shall not
18 apply to:

19 (a) A contract, purchase, or good faith negotiation made pursuant to KRS Chapter
20 416 relating to eminent domain; or

21 (b) Agreements which may directly or indirectly involve public funds disbursed
22 through entitlement programs; or

23 (c) A public servant's spouse or child doing business with any state agency other
24 than the agency by which the public servant is employed or which he
25 supervises; or

1 (d) Purchases from a state agency that are available on the same terms to the
 2 general public or that are made at public auction; or

3 (e) Sale of craft items to a state park by interim state employees designated as
 4 craftspersons under Section 3 of this Act.

5 (5) A public servant shall not knowingly accept compensation, other than that provided
 6 by law for public servants, for performance of his official duties without the prior
 7 approval of the commission.

8 (6) A former officer or public servant listed in KRS 11A.010(9)(a) to (g) shall not,
 9 within six (6) months of termination of his employment, knowingly by himself or
 10 through any business in which he owns or controls an interest of at least five percent
 11 (5%), or by any other person for his use or benefit or on his account, undertake,
 12 execute, hold, bid on, negotiate, or enjoy, in whole or in part, any contract,
 13 agreement, lease, sale, or purchase made, entered into, awarded, or granted by the
 14 agency by which he was employed. This provision shall not apply to a contract,
 15 purchase, or good faith negotiation made under KRS Chapter 416 relating to
 16 eminent domain or to agreements that may directly or indirectly involve public
 17 funds disbursed through entitlement programs. This provision shall not apply to
 18 purchases from a state agency that are available on the same terms to the general
 19 public or that are made at public auction. This provision shall not apply to former
 20 officers of the Department of Public Advocacy whose continued representation of
 21 clients is necessary in order to prevent an adverse effect on the client.

22 (7) A present or former officer or public servant listed in KRS 11A.010(9)(a) to (g)
 23 shall not, within six (6) months following termination of his office or employment,
 24 accept employment, compensation, or other economic benefit from any person or
 25 business that contracts or does business with, or is regulated by, the state in matters
 26 in which he was directly involved during the last thirty-six (36) months of his
 27 tenure. This provision shall not prohibit an individual from returning to the same

business, firm, occupation, or profession in which he was involved prior to taking office or beginning his term of employment, or for which he received, prior to his state employment, a professional degree or license, provided that, for a period of six (6) months, he personally refrains from working on any matter in which he was directly involved during the last thirty-six (36) months of his tenure in state government. This subsection shall not prohibit the performance of ministerial functions including, but not limited to, filing tax returns, filing applications for permits or licenses, or filing incorporation papers, nor shall it prohibit the former officer or public servant from receiving public funds disbursed through entitlement programs.

(8) A former public servant shall not act as a lobbyist or lobbyist's principal in matters in which he was directly involved during the last thirty-six (36) months of his tenure for a period of one (1) year after the latter of:

(a) The date of leaving office or termination of employment; or

(b) The date the term of office expires to which the public servant was elected.

(9) A former public servant shall not represent a person or business before a state agency in a matter in which the former public servant was directly involved during the last thirty-six (36) months of his tenure, for a period of one (1) year after the latter of:

(a) The date of leaving office or termination of employment; or

(b) The date the term of office expires to which the public servant was elected.

(10) Without the approval of his appointing authority, a public servant shall not accept outside employment from any person or business that does business with or is regulated by the state agency for which the public servant works or which he supervises, unless the outside employer's relationship with the state agency is limited to the receipt of entitlement funds.

(a) The appointing authority shall review administrative regulations established

1 under KRS Chapter 11A when deciding whether to approve outside
2 employment for a public servant.

3 (b) The appointing authority shall not approve outside employment for a public
4 servant if the public servant is involved in decision-making or
5 recommendations concerning the person or business from which the public
6 servant seeks outside employment or compensation.

7 (c) The appointing authority, if applicable, shall file quarterly with the Executive
8 Branch Ethics Commission a list of all employees who have been approved
9 for outside employment along with the name of the outside employer of each.

10 (11) The prohibitions imposed by subsection (5) or (10) of this section shall not apply to
11 Professional Golfers' Association class A members who teach golf lessons and
12 receive a fee or lesson charge at golf courses owned and operated by the Kentucky
13 Department of Parks. Instruction provided by an employee of the Commonwealth
14 shall only be given while the employee is on his or her own personal time. The
15 commissioner of the Department of Parks shall promulgate administrative
16 regulations to establish guidelines for the process by which Professional Golfers'
17 Association class A members are approved to teach golf lessons at Kentucky
18 Department of Parks-owned golf courses. The exception granted by this subsection
19 is in recognition of the benefits that will accrue to the Kentucky Department of
20 Parks due to increased participation at state-owned golf courses.

21 Section 2. KRS 45A.340 is amended to read as follows:

22 (1) No officer or employee of the General Assembly, or officer or employee of an
23 agency as defined in KRS 45A.335, shall knowingly receive or agree to receive,
24 directly or indirectly, compensation for any services to be rendered, either by
25 himself or another, in negotiations with the state or an agency for the purchase by
26 the state or an agency of an interest in real property. This section shall not apply to
27 appearances before any court, except that negotiations shall be prohibited as

1 aforesaid at any time.

2 (2) No officer or employee of an agency or member of a state board or commission,
3 may be in any manner interested, either directly or indirectly, in his own name or in
4 the name of any other person, association, trust, or corporation, in any contract for
5 the performance of any work in the making or letting or administration of which
6 such officer or employee may be called upon to act or vote. No such officer or
7 employee may represent, either as agent or otherwise, any person, association, trust,
8 or corporation, with respect to any application or bid for any contract or work in
9 regard to which such officer or employee may be called upon to act or vote. Nor
10 may any such officer or employee take, solicit, or receive, either directly or
11 indirectly, any money or other thing of value as a gift or bribe or means of
12 influencing his vote or action in his official character. Any contract made and
13 procured in violation hereof is void. For the purposes of this section the holding of
14 less than five percent (5%) of the stock of a corporation is not considered an
15 interest.

16 (3) No officer or employee of the General Assembly or officer or employee of any
17 agency shall, for compensation, appear before an agency as an expert witness.

18 (4) No officer or employee of the General Assembly, or officer or employee of any
19 agency, shall act as officer or agent for the Commonwealth or any agency in the
20 transaction of any business with himself, or with any corporation, company,
21 association, or firm in which he or his spouse has any interest greater than five
22 percent (5%) of the total value thereof.

23 (5) No officer or employee of an agency or appointee shall knowingly himself or by his
24 partners or through any corporation which he controls or in which he owns or
25 controls more than ten percent (10%) of the stock, or by any other person for his use
26 or benefit or on his account, undertake, execute, hold, or enjoy, in whole or in part,
27 any contract, agreement, sale, or purchase of the value of twenty-five dollars (\$25)

1 or more, made, entered into, awarded or granted by any agency, unless said contract,
 2 agreement, sale or purchase;

3 (a) Was made or let after public notice and competitive bidding; or

4 (b) Results from the sale of a craft item to a state park if the employee is an
 5 interim state park employee designated as a craftsperson under Section 3 of
 6 this Act.

7 (6) No officer, employee, or appointee of an agency, including persons who serve
 8 without salary or other payment for their services, shall knowingly receive or agree
 9 to receive, directly or indirectly, compensation for any services rendered or to be
 10 rendered, either by himself or another, in any cause, proceeding, application, or
 11 other matter which is before said agency or before the department of state
 12 government in which said agency functions.

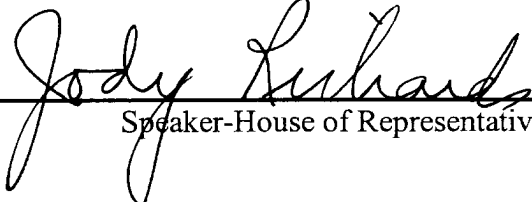
13 (7) No member of a board of trustees or regents shall have an interest in any contract
 14 with a state university unless such contract shall have been subjected to competitive
 15 bidding in compliance with KRS Chapter 45A, unless such trustee or regent shall
 16 have been the lowest bidder and unless such trustee or regent shall have first
 17 notified in writing the remaining members of the board, and to the newspaper
 18 having the largest circulation in the county in which the state university is located,
 19 of his intention to bid on such contract.

20 SECTION 3. A NEW SECTION OF KRS CHAPTER 148 IS CREATED TO
 21 READ AS FOLLOWS:

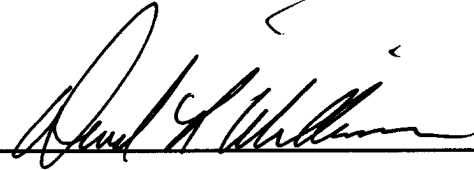
22 (1) Notwithstanding KRS 11A.020, Sections 1 and 2 of this Act, or any other law to
 23 the contrary, the commissioner may designate as a craftsperson any interim state
 24 employee whose duties consist primarily of craft-making demonstrations and who
 25 has been juried by a craft jury.

26 (2) Persons designated as craftspersons under subsection (1) of this section may sell
 27 craft products to gift shops operated by the Department of Parks, provided that

- 1 *the products are made from materials that have not been purchased with state*
- 2 *funds.*



Speaker-House of Representatives



President of the Senate

Attest: 

Asst. Chief Clerk of House of Representatives

Approved 

Governor

Date 
